1 October 1951

MEMORANDUM FOR THE RECORD

SUBJECT: Retired Foreign Service Officers

1. Several problems regarding the employment of retired Foreign Service officers were discussed today with Messrs. Kenneth H. Day and Lloyd C. Mitchell of the Foreign Service Finance Division. The following practices were confirmed:

a. If CIA appoints a retired Foreign Service officer to a full-time position, the Annuity Desk will suspend his annuity during the period of his CIA employment. This procedure will be followed regardless of the type of retirement -- longevity, disability, etc.

b. If CIA makes such an appointment and the Annuity Desk does not become aware of it, of course, no action will be taken. However, when the facts become known, the Annuity Desk will take steps to require repayment of any annuity paid during the CIA employment.

c. If CIA appoints a retired Foreign Service officer as a consultant, the Annuity Desk will suspend his annuity during days he is paid by CIA. However, if it can be demonstrated that payment was on a fee rather than a salary basis, suspension of the annuity will not be necessary. A contract setting out all particulars probably will be necessary to demonstrate a truly fee basis.

2. During the discussion, Mr. Day mentioned a recent case involving Mr. Nelson Johnson, a retired Foreign Service officer who was appointed to a $10,000.00 position with UNESCO. The Annuity Desk had some trouble convincing Mr. Johnson he should forego his annuity during the period he occupied the UNESCO position. However, Mr. Johnson finally capitulated and returned approximately $2,300.00, which represented the amount of annuity in controversy.

STATINTL

3. [   ] Personnel Division, are familiar with certain aspects of the retired Foreign Service officer problem, according to Mr. Day.

OGC/JJB/McD
Distribution:
    Orig - Subj
      1 - Chrono
      1 - Vital
      1 - Legal

STATINTL